

## **Baucus talks climate control, estate taxes**

By PETER JOHNSON • Tribune Staff Writer • October 6, 2010

U.S. Sen. Max Baucus told approximately 200 rural electric cooperative members Tuesday that he will fight for Congress — not federal regulators — to write climate control legislation and will use his committee clout to get rural landowners a fair shake on estate taxes.

The Montana Democrat, who is chairman of the Senate Finance Committee, spoke and answered questions for nearly two hours in the Heritage Inn during the Montana Electric Cooperatives' Association convention.

In response to a member's question, Baucus said he supports a measure that would ban the Environmental Protection Agency from writing climate change legislation to regulate greenhouse gases linked to climate change.

"That would put too much power into few hands," he said in a later press conference. Baucus said he would prefer that such key legislation be written by congressional committees representing different sections of the country and varying economic and environmental views.

He said he served on such a committee when it drafted the Clean Air Act in the early 1990s. Baucus said dealing with greenhouse gases will be far more complex because of its multiple sources, and could be better addressed by Congress, which writes laws, than the EPA, which administers them.

"Climate change is a real issue that has to be addressed," he said later, adding that it needs to be done in a way that is fair to Montana, including the state's rural areas. Baucus said he helped put a provision in a Senate energy bill this year that would have exempted rural cooperatives from greenhouse gas regulations.

The bill did not advance, he said, as Congress "got overwhelmed" passing major health and financial institution reforms.

He predicted Congress will not accomplish much in the "lame duck" session after November's election, and will have to start over with many important measures in 2011.

Baucus said he would consider supporting ways to reduce or stabilize production of carbon dioxide and other greenhouse gases, as long as they didn't interfere with his "primary goal of helping Montana create more good-paying jobs."

He noted that Montana agriculture producers are big users of energy, and that the state has great potential as an energy producer, including clean coal, oil, wind and solar energy, hydro-electricity and biofuels.

He called the latter energy sources "freedom fuels," which will help the U.S. reduce its foreign oil dependence while creating good jobs.

In response to a co-op member's question, Baucus said that in the past he voted to eliminate the estate tax charged to inheritances, but added there just aren't enough votes in Congress to get such a bill approved.

Baucus said urban lawmakers don't understand that a Montana farm or ranch might be valued at \$3 million or \$4 million, but it doesn't produce a huge income.

He said he will seek incremental tax changes, such as getting the \$3.5 million personal estate tax exemption "indexed," or automatically raised each year by the amount inflation increases.

Baucus said his ultimate goal is to get agricultural property that is legitimately passed on to family members in the same state who will farm or ranch it, fully or partially exempted from the estate tax.